

NOT FOR CITATION

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

IDENTITY ARTS, a California Limited
Liability Company,

Plaintiff,

v.

BEST BUY ENTERPRISE SERVICES,
INC., a Minnesota Corporation, BEST
BUY CO., INC., a Minnesota Corporation,
and DOES 1 through 100, inclusive,

Defendants.

No. C 05-4656 PJH

**ORDER DENYING
MOTION FOR PRELIMINARY
INJUNCTION**

Plaintiff's motion for preliminary injunction came on for hearing before this court on January 18, 2006. Plaintiff, Identity Arts LLC ("Identity Arts") appeared through its counsel, Drexel A. Bradshaw. Defendants, Best Buy Enterprise Services, Inc. and Best Buy Co., Inc. ("Best Buy") appeared through their counsel, Joel D. Covelman and Robert F. Hinton. Having read the parties' papers and carefully considered their arguments and the relevant legal authority, and good cause appearing, the court hereby DENIES the motion as follows, for the reasons stated at the hearing.

BACKGROUND

This is an action for copyright infringement. In May 2000, while at a movie presentation of "Gladiator," David Janssen (who co-founded plaintiff company) witnessed a fellow movie-goer being harassed and heckled for receiving a cell phone call mid-movie. As a result of that incident, Janssen was struck with an idea – to create faux movie trailers to be shown prior to the commencement of movies, in which cell phone users would be encouraged to shut off their phones. To implement his idea, Janssen enlisted the help of

1 David Bobrow, and the two began working on plans to film and market a short version of a
2 faux movie trailer known as the "Submarine Spot."

3 In March 2002, Janssen registered a script for the Submarine Spot with the U.S.
4 Copyright Office, and that same month, Janssen and Bobrow filmed several scenes of the
5 copyrighted script and edited them into a rough cut of the Submarine Spot. Armed with the
6 rough cut Submarine Spot, Janssen and Bobrow co-founded plaintiff Identity Arts, LLC,
7 ("Identity Arts") in order to produce, promote, and sell the rough cut spot to cell phone
8 manufacturers, cell phone service providers, and movie theater chains.

9 In June 2003, Identity Arts sent the rough cut Submarine Spot to defendants Best
10 Buy et al. ("Best Buy"). Thereafter, and throughout 2003, the parties negotiated an
11 agreement allowing Best Buy to use a final edit of the Submarine Spot and to market it to
12 potential advertisers and movie theaters. The final agreement, which called for Best Buy to
13 pay Identity Arts the sum of \$390,000 in exchange for the spot, was executed on October
14 7, 2003.

15 After the final Submarine Spot was successfully promoted by Best Buy in AMC
16 movie theaters throughout the country, Best Buy proceeded to introduce other faux movie
17 trailers, including those entitled "The Buffalo" (in which Native Americans are interrupted by
18 cell phone ringing during a buffalo hunt), "Pump up the Movie" (a parody of the "Bring It On"
19 cheerleading movie), and "Return of the Kwan" (a martial-arts themed spot reminiscent of
20 "Crouching Tiger, Hidden Dragon"). None of the spots was done with the permission or
21 authorization of Identity Arts.

22 On November 14, 2005, Identity Arts filed the instant action against Best Buy et al.,
23 asserting five causes of action: (1) direct copyright infringement; (2) vicarious copyright
24 infringement; (3) contributory copyright infringement; (4) unfair competition under California
25 Business & Professions Code §17200; and (5) unjust enrichment. The crux of Identity Arts'
26 complaint alleges that each of the above spots introduced by Best Buy is a derivative work
27 of the Submarine Spot, nearly identical in use of story structure, design, and relevant
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elements.

Identity Arts now seeks an order granting a preliminary injunction enjoining defendant Best Buy from showing any derivative works of any sort – including the above spots – pending resolution of the merits of the action.

DISCUSSION

A. Legal Standard

To prevail on a motion for preliminary injunction, plaintiff must show (1) a strong likelihood of success on the merits, (2) the possibility of irreparable injury to plaintiff if preliminary relief is not granted, (3) a balance of hardships favoring the plaintiff, and (4) advancement of the public interest (in certain cases). See Rodde v. Bonta, 357 F.3d 988, 994 (9th Cir. 2004). Alternatively, injunctive relief can be granted if the plaintiff merely “demonstrate[s] ... a combination of probable success on the merits and the possibility of irreparable injury...”. See id.

In a copyright case such as this one, a showing of reasonable likelihood of success on the merits raises a presumption of irreparable harm. See, e.g., Apple Computer Inc. v. Formula Int’l Inc., 725 F.2d 521 (9th Cir. 1984). Accordingly, the fundamental inquiry is whether plaintiff can demonstrate reasonable likelihood of success on the merits.

B. Legal Analysis

Best Buy raises two issues that it argues constitute a bar to the grant of Identity Arts’ request for preliminary injunction. First, it argues that Identity Arts lacks standing to bring this motion as to the Submarine Spot script, the rough cut Submarine Spot, or the final Submarine Spot. Second, Best Buy argues that even if standing exists, Identity Arts cannot prove any likelihood of success on the merits of its copyright infringement claims. The court addresses each issue in turn.

1. Standing

If Best Buy is correct that Identity Arts lacks standing, then Identity Arts’ motion fails at the outset. See, e.g., Lujan v. Defenders of Wildlife, 504 U.S. 555, 560 (1992) (standing

an “essential and unchanging part of the case-or-controversy requirement of Article III”).

Best Buy asserts that Identity Arts lacks standing because (1) with respect to the Submarine Spot script, Identity Arts is not the exclusive owner of the copyrights therein; and (2) with respect to the rough cut Submarine Spot and the final Submarine Spot, both are derivative works that Identity Arts failed to properly register for copyright protection. To support standing, Identity Arts points out that, since the filing of its complaint and this motion, an assignment of rights has taken place granting Identity Arts the exclusive rights to *all* works at issue, and an application is also now on file to register both the rough cut Submarine Spot and the final Submarine Spot with the US Copyright Office. As discussed below, however, Best Buy is correct, and no standing exists.

a. Identity Arts as Exclusive Licensee

Title 17 U.S.C. § 501(b) provides that only “the legal or beneficial owner of an exclusive right under a copyright” is entitled to bring an action for copyright infringement. As Best Buy correctly points out, this provision requires that a plaintiff have an exclusive right prior to bringing an action. Here, however, the evidence demonstrates that Identity Arts is *not* the owner of an exclusive right in either the Submarine Spot script, the rough cut Submarine Spot, or the final Submarine Spot.

With respect to the Submarine Spot script, this is the only one of the three works at issue that Identity Arts demonstrates is subject to copyright protection by virtue of a valid registration certificate. See Ex. A to the Declaration of David Janssen in Support of Plaintiff’s Motion for Preliminary Injunction (“Janssen Decl.”). Initially, this raises a presumption of validity with respect to the copyright of the Submarine Spot script. See, e.g., Entertainment Research Group, Inc. v. Genesis Creative, 122 F.3d 1211, 1218 (9th Cir. 1997); North Coast Indus. v. Maxwell, Inc., 972 F.2d (9th Cir. 1992). However, Best Buy can, and does, rebut this presumption. See id. It does so by demonstrating that the Submarine Spot script does not owe its origin to Mr. Janssen as the sole author – as the copyright registration states – but rather to Mr. Janssen and at least one other co-writer,

1 possibly two. Specifically, Best Buy points to (1) a prior version of the Submarine Spot
2 script that identifies Mr. Janssen and a Ben Nichols as co-authors, and (2) Identity Arts'
3 own (and other) website pages identifying both Ben Nichols and a David Bobrow as co-
4 authors. See Exs. 3-7 to the Declaration of Joel D. Covelman in Support of Defendants'
5 Opposition to Plaintiff's Preliminary Injunction Motion ("Covelman Decl."). Identity Arts
6 does not – or else cannot – dispute this evidence.

7 Since there is proof of more than one author for the Submarine Spot script, the only
8 right that Identity Arts can have in the script (through co-founder David Janssen) is a non-
9 exclusive one. This is because, absent a joint agreement or an exclusive transfer of rights
10 by *all* authors of a copyrighted work, the only right that may be transferred by an individual
11 joint author is a non-exclusive right to the work. See, e.g., Meredith v. Smith, 145 F.2d 620
12 (9th Cir. 1944). Accordingly, and as stated at the outset above, this precludes Identity Arts
13 from proceeding for infringement under the copyright laws. See 17 U.S.C. § 501(b).

14 Identity Arts attempts to fix this flaw by introducing evidence of belated assignments
15 of rights from Janssen, Bobrow and Nichols to Identity Arts. See Exs. A-C to the
16 Declaration of Drexel A. Bradshaw in Support of Plaintiff's Motion for Preliminary Injunction
17 ("Bradshaw Decl."). This is to no avail. While those assignments purport to exclusively
18 transfer "all intellectual property rights and moral rights" in "certain proprietary products,"
19 the assignments themselves are wholly deficient. See id. As Best Buy points out, the
20 purportedly exclusive assignments nowhere state the nature of what is being assigned, nor
21 do they contain any description of any of the three works at issue here, nor do they even
22 contain an actual assignment provision. See id. In short, they are of dubious legal
23 significance. Accordingly, it simply cannot be concluded that Identity Arts has sufficiently
24 demonstrated that it is the owner of an exclusive right in the Submarine Spot script, such
25 that it may maintain and institute an action against Best Buy for infringement of the script.

26 With respect to the rough cut Submarine Spot and the final Submarine Spot, Identity
27 Arts has great difficulty demonstrating how those two works could even form the basis for a
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1 preliminary injunction against Best Buy in the first place. First, they are not specifically
2 alleged as a basis for copyright infringement in Identity Arts' complaint. See, e.g.,
3 Yamaguchi v. United States Dept. of the Air Force, 109 F.3d 1475, 1481 (9th Cir. 1997)
4 (allegations must "establish a basis for judgment against the defendant"); Conley v. Gibson,
5 355 U.S. 41, 47-48 (1957). Second, the works are not registered with the U.S. Copyright
6 Office (see argument below). Even assuming, however, that Identity Arts *could* succeed in
7 proving that it is entitled to allege a copyright infringement claim based on the two works,
8 Identity Arts' motion would still hinge on proving that it is the holder of exclusive rights in the
9 two works. And for the reasons stated above, Identity Arts cannot do so on the basis of the
10 so-called exclusive assignments it has submitted into evidence on this motion.

11 Accordingly, Identity Arts has similarly failed to demonstrate that it is the owner of an
12 exclusive right in the rough cut Submarine Spot or the final Submarine Spot, such that it
13 may maintain and institute an action against Best Buy for infringement of these works.

14 b. Unregistered Derivative Works

15 As indicated above, Identity Arts has additional problems in proving standing with
16 respect to the rough cut Submarine Spot and the final Submarine Spot. In order to assert
17 standing as to both works, Identity Arts must demonstrate registration of the two works with
18 the U.S. Copyright Office. See 17 U.S.C. § 411(a) (registration as prerequisite for
19 infringement action); see also Kodadek v. MTV Networks, Inc., 152 F.3d 1209, 1211 (9th
20 Cir. 1998) ("[c]opyright registration is not a prerequisite to a valid copyright, but it is a
21 prerequisite to a suit based on a copyright.").

22 Only after Best Buy pointed out in its opposition to plaintiff's motion that plaintiff
23 could not allege copyright infringement for unregistered derivative works did Identity Arts
24 register both the rough cut Submarine Spot and the final Submarine Spot. Or rather,
25 Identity Arts filed an *application* to register the two works. See Bradshaw Decl., ¶ 5. The
26 question now before the court is whether that belated application is sufficient to allow the
27 court to presume registration of the two works for standing purposes.
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1 Identity Arts asserts that Ninth Circuit precedent allows the court to deem the two
2 works at issue registered as of the date of application, and to relate that registration back to
3 the date on which Identity Arts filed the instant action (Nov. 16, 2005). For support, Identity
4 Arts relies on Roth Greeting Cards v. United Card Co., 429 F.2d 1106 (9th Cir. 1970).

5 Reliance on this case, however, is misguided. Roth Greeting Cards held that
6 plaintiff could institute his action as of the day that he filed his application for registration,
7 and that subsequently revised copyright applications as to the same underlying work would
8 relate back to the date of filing of the initial application (where the revisions addressed a
9 prior error). It did *not* hold in favor of what Identity Arts argues here – that plaintiff could
10 first initiate an action, and *subsequent* to that, file an application for registration of the
11 works upon which the original action was based. Nor has any other case so held, a fact
12 that counsel for Identity Arts conceded at the hearing on its motion.

13 Indeed, Nimmer on Copyright – the seminal copyright treatise – makes clear that,
14 while the court would be within its authority to allow an action to be initiated prior to actual
15 issuance of a registration certificate but *after* the filing of an *application* for registration,
16 there is a jurisdictional defect under the copyright statutes for actions that are initiated *prior*
17 to the sending of an application for registration. See Nimmer on Copyright, § 7.16[B][1][a].

18 So here. Identity Arts filed the instant action in November 2005, and by its own
19 admission, did not seek to register the rough cut Submarine Spot, or the Submarine Spot,
20 until January 4, 2006. Accordingly, Identity Arts cannot maintain its copyright infringement
21 action with respect to the rough cut Submarine Spot or the final Submarine Spot, and it
22 lacks standing as to both on the instant motion before the court.

23 In sum, the above deficiencies – on both the exclusive rights issue and the
24 unregistered works issue – operate to deprive Identity Arts of standing. This is enough to
25 deny Identity Arts' motion. Even if the court could overlook the deficiencies, however, for
26 the reasons below, Identity Arts would still be incapable of proving a reasonable likelihood
27 of success on the merits of its copyright infringement action against Best Buy.
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2. Reasonable Likelihood of Success

To succeed on its infringement action against Best Buy, Identity Arts must prove (1) ownership of a valid copyright; and (2) defendant's copying of constituent elements of the original work. See, e.g., Feist Publications, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 361 (1991).

a. Ownership

Proof of ownership breaks down into several constituent parts: originality in the author; copyrightability of the subject matter; compliance with applicable statutory formalities; and a transfer of rights between the author and plaintiff so as to make plaintiff the valid copyright claimant. See generally Nimmer on Copyright, §13.01[A]. Generally speaking, a registration certificate constitutes prima facie evidence of most of these elements – i.e., originality, copyrightability, satisfaction of statutory formalities. See id. In applicable circumstances, the only element for which proof is still necessary is that of proving a valid transfer of rights between author and plaintiff. Id.

As discussed above, the only work properly at issue before the court here is the rough cut Submarine Spot script, for which Identity Arts has provided a copy of the registration certificate. See Janssen Decl., Ex. A. As to this, Identity Arts has tendered evidence of all three co-authors' assignment of exclusive rights to Identity Arts. See Bradshaw Decl., Exs. A-C. Again, however, these assignments are deficient on their face as legally valid assignments. As such, they fail to provide sufficient proof of ownership on the part of Identity Arts.

b. Defendant's Copying of Original Work

The gist of Identity Arts' motion with respect to this second element comes down to whether or not Best Buy copied the work at issue – i.e., whether it had access to Identity Arts' work, and whether Best Buy's works are substantially similar to the original work at issue. See, e.g., Newton v. Diamond, 349 F.3d 591 (9th Cir. 2003).

With regard to the access question, Identity Arts claims that it provided Best Buy

1 with copies of the rough cut Submarine Spot and the final Submarine Spot. Best Buy does
2 not dispute this, but asserts through declarations that it never had access to the Submarine
3 Spot *script*. See, e.g., Declaration of Joseph Michaelson in Support of Defendants'
4 Opposition to Plaintiff's Preliminary Injunction Motion; Declaration of William Nordin in
5 Support of Defendants' Opposition to Plaintiff's Preliminary Injunction Motion.

6 Again, only the script is properly before the court, since the script is the only one of
7 the three works that was properly registered and properly the subject of the copyright
8 infringement claim. And as to that script, Identity Arts provides no affirmative proof
9 controverting Best Buy's declarations, all of which establish that Identity Arts never
10 provided Best Buy with a copy of the Submarine Spot script, and that declarants have
11 never even seen the script. See id. Accordingly, without any such evidence, Identity Arts
12 cannot prove that Best Buy had the requisite access.

13 Similarly, Identity Arts would have an equally hard time demonstrating substantial
14 similarity. This inquiry is highly fact specific. The Ninth Circuit, in illuminating the
15 cornerstones of the inquiry, has used what it calls a "total concept and feel" approach.
16 See, e.g., Roth Greeting Cards v. United Card Co., 429 F.2d 1106 (9th Cir. 1970). In sum,
17 the "total concept and feel" approach refers to a two-part test – the "extrinsic test," used to
18 determine similarity in general ideas, and an "intrinsic test," used to compare the particular
19 expression used. See, e.g., Litchfield v. Speilberg, 736 F.2d 1352 (9th Cir. 1984). Expert
20 testimony is particularly relevant to the former, while the latter focuses on a reasonable
21 person's sense of whether the expression used in competing works is similar. Inherent in
22 all the foregoing, however, is the fundamental premise that copyright law does not protect
23 ideas; it can only protect particular expressions of ideas. See, e.g., Olson v. Nat'l
24 Broadcasting Co., 855 F.2d 1446 (9th Cir. 1988).

25 Here, Identity Arts introduces on reply the expert testimony of Professor Robert
26 Vianello, who testifies via declaration as to the substantial similarity of the original
27 Submarine Spot work, and Best Buy's subsequent works. This evidence, however, is
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1 insufficient to prove satisfaction of the extrinsic test as an initial matter.

2 Generally speaking, Mr. Vianello's testimony is devoted to drawing parallels between
3 the works in question, and he asserts that the thirteen original elements claimed by Identity
4 Arts are also found in Best Buy's subsequent works. As Best Buy pointed out in its surreply
5 and at the hearing, however, in many instances Mr. Vianello's testimony improperly claims
6 general cinematic techniques and ideas as protectable expression. For example, Mr.
7 Vianello asserts that the presence of on-screen characters who address the movie
8 audience directly is a protectable expression that is substantially similar in both the
9 Submarine Spots and in Best Buy's allegedly infringing works. See Declaration of Robert
10 Vianello in Support of Plaintiff's Motion for Preliminary Injunction, ¶¶ 8-9. In reality,
11 however, this is a cinematic technique familiar to many, including the court, which is several
12 decades old.

13 To be sure, Identity Arts would be correct in stating that at least some cases in the
14 past have found certain plot ideas, as expressed in dramatic and other works, to be
15 protectable. See, e.g., Nash v. CBS, Inc., 899 F.2d 1527, 1540 (7th Cir. 1990) (holding
16 that West Side Story authors intentionally borrowed from Romeo and Juliet). It is also true
17 that the Ninth Circuit itself has required a comparison of "plot, theme, dialogue, mood,
18 setting, pace, and sequence" as valid considerations under the extrinsic test analysis. See
19 Litchfield, 736 F.2d at 1356.

20 Nonetheless, it is still difficult for Identity Arts to claim that its 13 elements are truly
21 elements of expression that are simulated identically by Best Buy in its subsequent spots.
22 This is because, as numerous cases have recognized, mere similarity of format, theme,
23 style, or setting is insufficient to give rise to substantial similarity. Moreover, it has also
24 commonly been held that even if the plots of two works are substantially similar, there is no
25 liability if the trier of fact reasonably concludes that defendant copied only the basic idea,
26 and independently created a similar plot. See, e.g., Data East USA, Inc. v. Epyx, Inc., 862
27 F.2d 204, 208 (9th Cir. 1988) (similar ideas in two video games). This is the scenario that
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1 rings most true here, upon review of the works at issue.

2 As such, the court need not consider the intrinsic test in order to conclude, as has
3 been evident from the beginning, that Identity Arts cannot make out a case for likelihood of
4 success on the merits of its claim regarding copyright infringement.

5 C. Conclusion

6 For the above reasons, Identity Arts' arguments fail as to (1) standing; and (2)
7 likelihood of success on the merits of its copyright infringement claim. Accordingly, Identity
8 Arts' motion is DENIED.

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10 **IT IS SO ORDERED.**

11 Dated: February 10, 2006



PHYLLIS J. HAMILTON
United States District Judge